

**NATIONAL DAIRY MARKET AT A GLANCE****CHICAGO MERCANTILE EXCHANGE (CME) CASH MARKETS (11/15):**

**BUTTER:** Grade AA closed at \$1.0050. The weekly average for Grade AA is \$1.0042 (+.0009).

**CHEESE:** Barrels closed at \$1.0750 and blocks at \$1.0800. The weekly average for barrels is \$1.0685 (+.0225) and blocks, \$1.0725 (-.0025).

**NONFAT DRY MILK:** Extra Grade closed at \$0.9150 and Grade A at \$0.9300. The weekly average for Extra Grade is \$0.9150 (N.C.) and Grade A, \$0.9300 (N.C.).

**BUTTER:** Trading at the CME was very active early this week, quiet on Friday. The market tone is seasonal. Demand for packaged butter has been good. Most Thanksgiving needs are already in stores and some printers have put up enough packaged butter to cover anticipated year-end holiday needs. Churning activity ranges from light to moderate across the country. Cream offerings were tight early in the week and churning activity slowed accordingly. Overall, butter inventories are more than adequate to cover current needs. The talk of a support price butter/powder tilt change is surfacing in more conversations now that the elections are past.

**CHEESE:** The cheese market is unsettled with daily price fluctuations irregularly higher and lower. Overall cheese demand is steady to only occasionally improved on natural. Process sales are slow to fair. Packagers are filling orders for anticipated holiday needs. Also, a few packagers are building finished product inventory in anticipation of Thanksgiving weekend reduced production schedules. Cheese production is about steady with recent weeks. During the week ending November 15, CCC purchased 237,600 pounds of Midwest process cheese under the price support program.

**FLUID MILK:** Milk production levels are not accelerating much from the low point of seasonal patterns in any area of the country. There are some reports that the current low milk prices are affecting feeding and replacement strategies and ultimately limiting milk output. Cash flow problems are also limiting expansion plans and causing more partial and whole herd dispersals than would normally be expected. In the Southwest, milk growth is steady to slowly moving higher from seasonal low levels. The impact of recent rains is not impacting the dairy cows. Northwestern and Mountain States production levels are tending to remain at seasonal low levels. In the Midwest, milk intakes are often irregular as supplies try to move higher. Widespread areas of the Northeast were affected by severe storms late last week, although minimal effects were noted on plants or dairies. Milk production is steady across the region. In the Southeast and Florida, milk volumes are level after gaining slightly in recent weeks. Fluid cream markets range from steady to firmer. Demand remains good for cream from the butter

trade and also from cream based, holiday item producers actively making cream cheese, sour cream, dips, egg nog, and the like, to fill orders.

**DRY PRODUCTS:** Nonfat dry milk prices are holding mostly steady with a few adjustments noted. The market tone is mixed with a combination of surplus sales to the CCC, medium heat export program sales through the CCC and sellback of product from the CCC. Production levels are holding mostly steady. There is unsettledness to the market with concerns renewed over a possible price tilt lowering the NDM support price. Dry buttermilk prices did not change in any region with continued good seasonal draw of product noted. Whey prices are lower in the Central region as buyer resistance to higher prices has developed and demand has dropped. Supplies are longer than needed and multi load offers are being made. The Western market is in better balance and prices continue to move higher. The port situation is still slowing shipments, but buying is still active. Whey protein concentrate prices are moving higher as supplies are short of trade needs. Some suppliers are shifting from higher proteins back to 34% production. Lactose prices are unchanged in a steady market. Producers' positions are often tight but export shipments are being slowed by port delays.

**CCC:** During the week of November 11 - 15, CCC purchased 4,806,862 pounds of low heat NDM and 15,432,310 pounds of medium heat NDM from the West. They also purchased 237,600 pounds of process cheese under the price support program. During the week of November 4 - 8, CCC sold back 478,319 pounds of NDM from Central and/or Eastern warehouses.

**SEPTEMBER FLUID MILK SALES (AMS & CDFA):** During September, about 4.6 billion pounds of packaged fluid milk products is estimated to have been sold in the United States. This was 1.3% higher than September 2001. After adjusting for calendar composition, sales in September 2002 were 0.7% higher than September 2001. On an individual product basis, after adjusting for calendar composition, sales of whole milk, reduced fat (2%) milk, and low fat (1%) milk would have likely increased from September 2001, while sales of fat-free (skim) milk and buttermilk would have likely decreased from a year earlier. Year to September adjusted sales of fluid milk products were 0.3% higher than the comparable period in 2001.

**AUGUST MAILBOX MILK PRICES (AMS & CDFA):** In August 2002, mailbox milk prices for selected reporting areas in Federal milk orders averaged \$11.18 per cwt., \$0.23 more than the figure for the previous month. On an individual reporting area basis, mailbox prices increased in all reporting areas except one, and ranged from \$15.58 in Florida to \$9.85 in Utah. In August 2001, the Federal milk order all-area average mailbox price was \$16.28, \$5.10 higher.

\*\*\*\*SPECIAL THIS ISSUE\*\*\*\*

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**CHICAGO MERCANTILE EXCHANGE  
CASH TRADING**

CHEESE: carload = 40,000-44,000 lbs., BUTTER: carlot = 40,000-43,000 lbs.

PRODUCT	MONDAY NOVEMBER 11	TUESDAY NOVEMBER 12	WEDNESDAY NOVEMBER 13	THURSDAY NOVEMBER 14	FRIDAY NOVEMBER 15	WEEKLY CHANGE*	WEEKLY AVERAGE#
<b>CHEESE</b>							
BARRELS	\$1.0625 (+.0125)	\$1.0625 (N.C.)	\$1.0675 (+.0050)	\$1.0750 (+.0075)	\$1.0750 (N.C.)	+.0250	\$1.0685 (+.0225)
40# BLOCKS	\$1.0850 (+.0100)	\$1.0725 (-.0125)	\$1.0500 (-.0225)	\$1.0750 (+.0250)	\$1.0800 (+.0050)	+.0050	\$1.0725 (-.0025)
<b>BUTTER</b>							
GRADE AA	\$1.0025 (+.0025)	----	\$1.0050 (+.0025)	----	\$1.0050 (N.C.)	+.0050	\$1.0042 (+.0009)

\*Sum of daily changes. # Weekly averages are simple averages of the daily closing prices for the calendar week. Computed by Dairy Market News for informational purposes. This data is available on the Internet at WWW.AMS.USDA.GOV/MARKETNEWS.HTM (NOTE: The NDM daily/weekly prices are reported here when changes occur. The Extra Grade price is \$9.150 and Grade A price is \$9.300. NDM information remains available at the above internet address.) THE CME WILL BE CLOSED ON NOV. 28 AND 29 FOR THANKSGIVING OBSERVANCE.

## CHICAGO MERCANTILE EXCHANGE

MONDAY, NOVEMBER 11, 2002

CHEESE — SALES: 9 CARS 40# BLOCKS: 1 @ \$1.0825, 1 @ \$1.0925, 2 @ \$1.0975, 1 @ \$1.0750, 1 @ \$1.0775, 1 @ \$1.0875, 1 @ \$1.0800, 1 @ \$1.0850; BIDS UNFILLED: 2 CARS BARRELS @ \$1.0625; OFFERS UNCOVERED: 3 CARS 40# BLOCKS: 1 @ \$1.0900, 2 @ \$1.0975

BUTTER — SALES: 22 CARS: 3 @ \$1.0025, 1 @ \$1.0050, 2 @ \$1.0025, 5 @ \$1.0000, 4 @ \$1.0025, 2 @ \$1.0050, 3 @ \$1.0025, 1 @ \$1.0075, 1 @ \$1.0025; BIDS UNFILLED: 10 CARS: 2 @ \$1.0025, 1 @ \$1.0000, 2 @ \$0.9975, 3 @ \$0.9950, 1 @ \$0.9925, 1 @ \$0.9900; OFFERS UNCOVERED: 1 CAR @ \$1.0075

TUESDAY, NOVEMBER 12, 2002

CHEESE — SALES: 1 CAR 40# BLOCKS @ \$1.0800; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 2 CARS 40# BLOCKS: 1 @ \$1.0725, 1 @ \$1.0850

WEDNESDAY, NOVEMBER 13, 2002

CHEESE — SALES: 2 CARS 40# BLOCKS: 1 @ \$1.0550, 1 @ \$1.0575; BIDS UNFILLED: 1 CAR BARRELS @ \$1.0675; 1 CAR 40# BLOCKS @ \$1.0300; OFFERS UNCOVERED: 3 CARS 40# BLOCKS: 1 @ \$1.0500, 1 @ \$1.0750, 1 @ \$1.0800

BUTTER — SALES: 21 CARS: 10 @ \$1.0000, 1 @ \$1.0025, 1 @ \$1.0050, 7 @ \$1.0000, 1 @ \$1.0025, 1 @ \$1.0050; BIDS UNFILLED: 24 CARS: 3 @ \$1.0050, 4 @ \$1.0025, 7 @ \$1.0000, 3 @ \$0.9975, 3 @ \$0.9950, 3 @ \$0.9925, 1 @ \$0.9900; OFFERS UNCOVERED: 6 CARS: 1 @ \$1.0100, 2 @ \$1.0125, 1 @ \$1.0150, 1 @ \$1.0175, 1 @ \$1.0200

THURSDAY, NOVEMBER 14, 2002

CHEESE — SALES: 2 CARS 40# BLOCKS: 1 @ \$1.0600, 1 @ \$1.0750; BIDS UNFILLED: 2 CARS BARRELS: 1 @ \$1.0750, 1 @ \$1.0650; OFFERS UNCOVERED: NONE

FRIDAY, NOVEMBER 15, 2002

CHEESE — SALES: 1 CAR 40# BLOCKS @ \$1.0800; BIDS UNFILLED: 1 CAR BARRELS @ \$1.0750; 1 CAR 40# BLOCKS @ \$1.0800; OFFERS UNCOVERED: NONE

BUTTER — SALES: NONE; BIDS UNFILLED: 18 CARS: 6 @ \$1.0050, 4 @ \$1.0025, 4 @ \$1.0000, 2 @ \$0.9975, 2 @ \$0.9950; OFFERS UNCOVERED: NONE

## BUTTER MARKETS

## NORTHEAST

The market tone is basically steady. In continued active trading, the CME cash price for butter (through 11/11) has traded in a very narrow range. Churning activity remains light to moderate in the East, but a little less milk is being sold to Southeastern buyers. This is providing the supplying plants with more milk to process. Printers are busy filling anticipated holiday orders, but some already have enough packaged to meet expected needs. Thanksgiving needs are, for the most part, filled and in retail distribution channels. Demand for bulk butter is steady and any spot demand is easily filled. Food service orders are starting to pick up as restaurants prepare for Thanksgiving. Sales of bulk butter, f.o.b. East, are reported in a range of flat market to 4 cents over the CME price/average.

## CENTRAL

The cash butter price is holding between \$1.00-1.01. Trading has been very active with forty-three sales during the November 11 & 13 sessions. The market tone is unsettled. Butter inventories at CME approved warehouses increased during the week ending November 9 after a good decrease the previous week. This, in all likelihood, is an indication that Thanksgiving needs have been filled. Churning activity is mostly unchanged at moderate levels. Bulk and packaged butter stocks are more than adequate to cover current

demand. Retail orders are slowing now that Thanksgiving orders have, for the most part, been shipped and arriving at stores. Food service orders are improving as restaurants prepare for Thanksgiving. Bulk butter for spot sales is selling in a range of flat – 2 cents per pound over various pricing basis.

## WEST

Butter prices continue to trade in a narrow range at the CME. Some good last minute interest in fresh butter is noted to fill in before the Thanksgiving holiday. Orders, overall, are being called good to better than expected. Retail store feature activity is moving good volumes of butter. Orders from the restaurant trade are probably down a bit. Cream supplies are trending to the long side. Some bulk butter does continue to come out of the freezer to supplement current production. Weekly CME butter stocks increased by 2.7 million pounds for the most current week. This follows the largest weekly decline ever last week. Butter stocks have not increased at the CME in November since 1998. The trade is not sure what to make of this sudden reversal. Current prices for bulk butter range from 5 cents under to 2 cents under the market based on the CME with various time frames and averages.

**NASS DAIRY PRODUCT PRICES**  
U.S. AVERAGES AND TOTAL POUNDS

WEEK ENDING	CHEESE		NDM	BUTTER	DRY WHEY
	40# BLOCKS	BARRELS 38% MOISTURE			
	1.1369	1.0644	0.9190	0.9889	0.2249
NOV 9	8,134,487	11,270,832	18,342,517	4,571,326	11,106,065

Further data and revisions may be found on the internet at: <http://jan.mannlib.cornell.edu/reports/nassr/price/dairy>

## CHEESE MARKETS

## NORTHEAST

Prices range from unchanged to fractionally higher and the market tone is weak. Prices at the CME are rebounding slightly from the late-October declines. However, demand for cheese has been surprisingly sluggish for much of this pre-holiday period. The overall economy and continued high retail prices may be playing a bigger role in the market than some had thought. Also, recent studies indicate the fast food and restaurant business is down from year ago levels. This tends to impact both mozzarella and process cheese consumption. Cheese output in the Northeast is steady at moderate levels. Because of the slow demand, some cheese producers are cutting back on operating schedules. Others are stepping up output of seasonal cheeses, which is typical for these producers at this time of year. Distributors are busy getting Thanksgiving orders and preparing to get product out to customers in the next week or two.

WHOLESALE SELLING PRICES: DELIVERED,  
DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

Cheddar 10# Prints	:	1.1375-1.6325
Cheddar Single Daisies	:	1.0950-1.5550
Cheddar 40# Block	:	1.2150-1.4450
Process 5# Loaf	:	1.2550-1.4575
Process 5# Sliced	:	1.2750-1.5500
Muenster	:	1.3000-1.5050
Grade A Swiss Cuts 10 - 14#	:	2.3500-2.5500

## MIDWEST

The cheese market continues to be affected by the imbalance between supply and demand. Current natural cutting and shredding activity is comfortably busy, not the near frantic levels usually associated with the pre-holiday season. Weekly mozzarella demand seems to reflect a moderate to good week or two of sales followed by a week or two of slower interest. Most producers continue to concentrate on producing non-commodity type cheese varieties usually made to order. Supplemental supplies of Western cheddar and mozzarella are available. Commercial process interest remains steady, mostly slow to fair. Extra process is being prepared for sale to CCC to keep lines busy. Cream cheese production and movement are seasonally good, aided by lower cream prices. Aged cheddar interest remains spotty. Cheese production is irregularly steady to slightly higher as plants are at least near, if not just past, the annual low point in milk receipts. Strong seasonal fat and protein tests are helping cheese yields.

WISCONSIN WHOLESALE SELLING PRICES: DELIVERED,  
DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

Process American 5# Loaf	:	1.2250-1.5200
Brick And/Or Muenster 5#	:	1.5900-1.6350
Cheddar 40# Block	:	1.4475-2.1150
Monterey Jack 10#	:	1.7000-2.1150
Blue 5#	:	1.8275-2.2700
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	1.3800-2.2150
Grade A Swiss Cuts 6 - 9#	:	1.9000-2.6850

## MIDWEST COMMODITY CHEDDAR

Dollars per pound, standard moisture basis (37.8-39.0%),  
carlot/trucklot, F.O.B. plants or storage centers.

CHEDDAR STYLES	:	NOVEMBER 11 - 15, 2002
BARRELS*	:	\$1.0550 - 1.0650 (NOMINAL)
	:	(\$ .0050) (.0100)
40# BLOCKS	:	\$1.0550 - 1.1150 (NOMINAL)
	:	(-\$ .0150) (-.0100)
( ) Change from previous week. * If steel, barrel returned.		

## WEST

Cheese prices are mixed following trading at the CME last week, but have been trading in a very narrow range recently. Demand is generally being called fair at best. Recent daily price changes are not having any real impact on demand strategies. End users continue to look for bargains, including under grade cheese, to fit into their product mix. Cheese inventories are probably not increasing at this time, but no real reduction in stocks is noted. Demand for aged cheese remains lackluster. Swiss sales are being reported as good for the late fall season. Mozzarella interest is very slowly improving. Some plants are buying some outside milk to optimize output while others are selling some loads of milk to better balance their supplies with demand.

WHOLESALE SELLING PRICES: DELIVERED, DOLLARS PER POUND  
(1000 - 5000 POUNDS MIXED LOTS)

Process 5# Loaf	:	1.1975-1.4575
Cheddar 40# Block	:	1.1975-1.3375
Cheddar 10# Cuts	:	1.3775-1.5975
Monterey Jack 10#	:	1.3875-1.5475
Grade A Swiss Cuts 6 - 9#	:	2.2600-2.4100

## FOREIGN

Prices and the market tone are little changed. Stocks of most cheeses are sufficient to cover the seasonally improving demand. However, continued high retail prices do impact sales and consumption. Imports are slowing along seasonal patterns as most importers have either used their licenses or turned back any unused portion and are waiting for next year's licenses. The cheese market and prices in some EU countries are showing little change from the past few weeks.

WHOLESALE SELLING PRICES: FOB DISTRIBUTORS DOCK  
DOLLARS PER POUND (1000 - 5000 POUNDS, MIXED LOTS)

VARIETY	NEW YORK	
	IMPORTED	DOMESTIC
	:	:
Roquefort	: TFEWR	: -0-
Blue	: 2.6400-3.3900	: 1.4325-2.9225
Gorgonzola	: 3.2400-5.9400	: 1.9500-2.4900
Parmesan (Italy)	: TFEWR	: 2.8425-2.9325
Romano (Italy)	: 2.1000-3.1900	: -0-
Provolone (Italy)	: 3.4400-5.5000	: 1.4400-1.6675
Romano (Cows Milk)	: -0-	: 2.6300-4.8000
Sardo Romano (Argentina)	: 2.8500-3.2900	: -0-
Reggianito (Argentina)	: 2.6900-3.2900	: -0-
Jarlsberg-(Brand)	: 2.7500-3.6900	: -0-
Swiss Cuts Switzerland	: -0-	: 2.3500-2.5500
Swiss Cuts Finnish	: 2.6000-2.8500	: -0-
Swiss Cuts Austrian	: TFEWR	: -0-
Edam	:	:
2 Pound	: TFEWR	: -0-
4 Pound	: 2.1900-2.9900	: -0-
Gouda, Large	: TFEWR	: -0-
Gouda, Baby (\$/Dozen)	:	:
10 Ounce	: 27.8000-31.7000	: -0-
* = Price change.		

WEEKLY COLD STORAGE HOLDINGS-SELECTED STORAGE CENTERS  
IN THOUSAND POUNDS - INCLUDING GOVERNMENT STOCKS

BUTTER : CHEESE

	:	
11/11/02	54,817	: 129,569
11/01/02	55,244	: 132,386
CHANGE	-427	: -2,817
% CHANGE	-1	: -2

## FLUID MILK AND CREAM

## E A S T

Spot shipments of Grade A milk into or out of Florida and other Southeastern states

	THIS WEEK		LAST WEEK		LAST YEAR	
	IN	OUT	IN	OUT	IN	OUT
FLORIDA	130	0	95	0	26	0
SOUTHEAST STATES	0	0	0	0	35	0

Regional Milk Market Administrators announced the following, October 2002 uniform prices: Northeast \$12.40, Mideast \$11.32, Southeast \$12.81, Florida \$14.03, and Western New York (a state order) \$11.73 at the base city or county in the orders. (For the Northeast, Mideast, and Western New York orders, statistical uniform prices are reported.) This week, some deadly storms raced through large areas of the East. In their wake, homes and businesses were destroyed and power was lost in some locales. According to contacts, the disruption to the milk industry was less than expected, but the effects of the damage and losses will be felt for along time. Milk production is steady in most parts of the region. Gains seen in the Southeast during the past week or two have slowed. In Florida, milk output is about steady. In the Northeast, the milk flow is at or near the low point in its annual cycle. Fluid milk sales are in a wide range of good to mostly fair. Bottlers do feel that orders will pick up next week for Thanksgiving. Florida's need for milk increased this week as sales are increasing slightly as more "winter residents" move in. Manufacturing plants have plenty of capacity to handle any extra milk that may be available during the holiday week. In a few scattered instances, plants did have a little more surplus milk to process, but this was most often a result of other plants being down for repairs. The condensed skim market is holding up quite well. Spot sales are scattered, but contract loads are clearing nicely. Some Eastern wet solids are moving to the Midwest on contract and keeping local drying schedules light. Usage in cheese making is mixed this week. The fluid cream market ranges from steady to firmer. Supplies are balanced to slightly long after mid-week, but reported as very tight early this week. Some contacts note that supplies early this week have not been as tight in over a year. Demand was very good early, fair to good late. Spot prices are generally lower following the nearly three-cent drop in the CME butter average. However, multiples were generally steady, but often higher within the range. Cream cheese output is holding up at strong, seasonal levels. Production of sour cream, dips, and bottled cream are all at typical pre-holiday levels. Egg nog production is in full swing and absorbing more cream. Ice cream production is seasonal, but many plants are running fairly full. This may be because many will be down for Thanksgiving week and they are building stocks to cover deliveries during that period. Churning activity is up slightly as some producers did go looking for more cream during this past weekend.

## FLUID CREAM AND CONDENSED SKIM PRICES IN TANKLOT QUANTITIES

SPOT PRICES OF CLASS II CREAM, \$ PER LB BUTTERFAT

F.O.B. PRODUCING PLANTS: NORTHEAST	-	1.3244-1.4247
DELIVERED EQUIVALENT ATLANTA	-	1.3444-1.4448 M 1.3645-1.4046
F.O.B. PRODUCING PLANTS: UPPER MIDWEST	-	1.2943-1.3946

PRICES OF CONDENSED SKIM, \$ PER LB WET SOLIDS

F.O.B. PRODUCING PLANTS:	
NORTHEAST- CLASS II - INCLUDES MONTHLY FORMULA PRICES	- .9850-1.0300
NORTHEAST- CLASS III - SPOT PRICES	- .8700- .9400

## M I D W E S T

Class I demand is good with bottlers needing to search to acquire supplemental loads. Production of eggnog and other holiday items including dips, whipped, and sour cream are seasonally active. The week and the first couple work days before Thanksgiving are generally considered to be the busiest of the year for bottlers, between regular products and the preparation of holiday items. Overall, milk supplies are tight. Cheese milk demand is spotty, but generally limited due to current cheese prices and demand. On a very light test, manufacturing milk premiums range from \$1.50-2.50 over class. Seemingly, more plant operators are trying to sell surplus rather than buy milk. Condensed skim interest is mixed with prices mostly steady. Class II condensed interest

is slower from ice cream accounts. Cream interest from ice cream accounts is lighter, though generally offset by demand from other products such as dips, and whipped cream. Milk intakes are irregular, from slightly lower to occasionally higher. Overall milk intakes in the region are around the annual low levels for the year. Most producers have cows in housing for extended periods now and have culled their "tail-enders" to reduce the need to purchase additional feed because of low milk prices. Handlers are still making deals to find manufacturing space for surplus milk during the holidays to avoid the sharp discounts on last minute deals. The fall harvest and tillage season is continuing.

## WISCONSIN LIVESTOCK AUCTIONS (PER CWT.)

	NOVEMBER 7-13	PREVIOUS YEAR
SLAUGHTER COWS	\$ 29.00- 37.00	\$ 33.50- 37.50
REPLACEMENT HEIFER CALVES	\$250.00-430.00	\$400.00-600.00

## SOUTH ST. PAUL TERMINAL AUCTION MARKET (PER CWT.)

	NOVEMBER 7-13	PREVIOUS YEAR
SLAUGHTER COWS	\$ 32.00- 38.50	\$ 39.00- 42.50

## W E S T

The December 2002 Class 1 prices in CALIFORNIA range from \$12.33 in the north to \$12.60 in the south. The statewide average Class 1 price based on production is \$12.38. The average is \$0.87 lower than November 2002 and \$1.28 lower than December 2001. The milk flow in CALIFORNIA is noted to be steady to moving slightly higher across most areas of the state. The impacts of the storm that hit the state last week were most often minimal to the milk herd. The moisture in the mountains was welcomed for water reserves for next year. Fluid milk sales are reported to be steady to good. In the south, milk production is holding steady to marginally higher. Plants are noted in good shape and handling the supplies efficiently. In the Central Valley, milk volumes are only slightly higher at best and also finding ample processing capacity. Seasonal rainfall in the far northern producing areas is causing the usual, slow output for this season. ARIZONA milk flow is not changing much in week to week comparisons and has yet to move significantly from seasonal lows. Weather conditions have been ideal for milk cows with moderate daytime highs and comfortable nights. The impact of revamped feeding rations and cow/heifer replacement strategies are noted to be contributing to the lack of milk growth. The underlying factor is low milk prices and the lack of working capital. Plants in the state are processing as scheduled with normal products. The Western CREAM market is holding along expected lines. Contract loads are moving normally and spot load availability is sporadic, often depending on the time of week. Volumes are slightly heavier going into seasonal products and the call from butter makers is still good to fill current fresh butter orders. The CME butter price has moved little in the last week and stood at \$1.0050 on November 13. Western multiples held steady in the 112 to 131 FOB range. Heavy rain has been the rule over most of the PACIFIC NORTHWEST this past week. Rivers are beginning to come back up and the snow is accumulating down to the pass levels. The entire ag community is pleased to finally see some fall moisture. The weather has had little if any impact on the milk flow in the region. Some producers are reporting a slight decline in output related mostly to hay quality. The adage that "you get what you pay for" seems to be holding true. Some increased interest in heifers is noted at prices under \$1500. A new twist from the financial stress point of view is that some banks are proposing to take over problem dairies and then have the dairy producer run the dairy for the bank for what is assumed to be a salary. The problem with this from the big picture point of view is that it does nothing to reduce the overall milk supply and therefore lead to the possibility of higher prices. Good rain and snow at elevation are common over much of UTAH and IDAHO. Fall seeded grain looks great and this moisture will put the hay crop in good shape for the winter dormancy. The November 1 hay report indicates that alfalfa hay production for the season totaled 74.7 million tons, down 7.0% from 2001. Hay stocks seem adequate in the West at this time, but a long hard winter might lead to firming prices next spring. Milk supplies are currently declining along seasonal patterns.



**NDM, BUTTERMILK & WHOLE MILK**

Prices represent carlot/trucklot quantities for domestic and export sales packaged in 25 kg. or 50 lb. bags, or totes, spray process, dollars per pound.

**NONFAT DRY MILK - CENTRAL AND EAST**

CENTRAL: Prices are mixed on a firm market. Production is unchanged. As the Thanksgiving Holiday nears, more milk is expected to flow into NDM dryers. Currently, less milk is moving into dryers than anticipated for this time of year. Spot trading is very light due to limited supply availability. Some plants continue to purchase Western supplies to supplant light production schedules. Interest is best from brokers and some cheese facilities. Demand from ice cream plants continues to wane. High heat NDM and NDM in 50# bags is especially tight. Condensed skim movement is good with some Western supplies delivered into the Central region at competitive prices. Standard grade supplies are often difficult to clear due to the higher prices offered. Offers to the CCC are reported for the current week from the Central region.

EAST: Prices and the market tone are little changed. Prices are largely nominal as few spot sales are being reported at the producer level. Current production levels are light, but some plant contacts did report that a little more milk was available this week. Most producers are preparing for Thanksgiving week and expect additional milk to process, which would ease some of the tightness in the NDM supply. More Eastern traders, and some producers, continue to buy back CCC-owned NDM to supplement current supplies. It is noteworthy that while CCC is selling back NDM, it is also buying powder from Midwest and Western sources. Demand for NDM is fair to good, but users do not want too much on hand should the rumored tilt take place.

F.O.B. CENTRAL/EAST: Includes EXTRA GRADE and GRADE A

LOW/MEDIUMHEAT: .9000 - .9850 MOSTLY: .9550 - .9650

HIGHHEAT: .9725 - 1.0400

**NONFAT DRY MILK - WEST**

Western low/medium heat NDM prices are mostly steady and reflect a more balanced level after increasing last week. The market tone is more unsettled. Currently, spot offerings are tight, but production is increasing as the milk flow increases. Also, contracted NDM under DEIP and export programs has been filled (or delayed) and more NDM will be available. The volumes sold to the CCC under the price support program are expected to also pick back up. Additional NDM from CCC sellbacks to the trade is being used to supplement any shortages. The trade is trying to digest what impact that the CCC nonfat being committed will have. There are more questions than answers available. High heat NDM prices moved higher on the top end of the range. Supplies are adequate to supply the current good, seasonally improved demand. During the week of November 4 - 8, CCC purchased 4,862,771 pounds of low heat and 1,513,871 pounds of medium heat NDM, all from the West. From October 25 to November 1, NDM sellbacks to the trade totaled 4,969,960 pounds with 3,995,526 pounds from warehouses in the West.

F.O.B. WEST: Includes EXTRA GRADE and GRADE A

LOW/MEDIUMHEAT: .8950 - .9550 MOSTLY: .9000 - .9200

HIGHHEAT: .9300 - .9750

**CALIFORNIA MANUFACTURING PLANTS - NDM**

WEEK ENDING	PRICE	TOTAL SALES	SALES TO CCC
November 8	\$ .9103	11,423,733	2,479,155
November 1	\$ .9081	11,129,423	1,457,500

Prices are weighted averages for Extra Grade and Grade A Nonfat Dry Milk, f.o.b. California manufacturing plants. Prices for both periods were influenced by effects of long-term contract sales. Total sales (pounds) include sales to CCC. Compiled by Dairy Marketing Branch, California Department of Food and Agriculture.

**DRY BUTTERMILK - CENTRAL**

Prices are unchanged on a steady market. Production is seasonally increasing with some plants offering more loads than the week prior. However, supplies remain limited with some buyers seeking delivery from Western production facilities. Some aged Western product, from more than 6 months ago, is being delivered into the Central region at prices under the range. Spot trade of Central region product is light yet improved compared to the week prior. Less than trucklot loads are clearing at prices above the range. Supplies of condensed buttermilk are slowly increasing as ice cream production decreases and churn activity increases.

F.O.B. CENTRAL: .8150 - .8600

**DRY BUTTERMILK - NORTHEAST AND SOUTHEAST**

Prices and the market tone are steady and Eastern prices are nominal. Production levels are light as many butter makers are moving their buttermilk in the liquid state rather than dry it. Those that are drying, do have some inventory on hand, but volumes are not overly heavy. Instances of increased churning were noted, but not the rule. Spot demand for powder is just fair as contracts are clearing most of the output.

F.O.B. NORTHEAST: .7800 - .8350

DELVD SOUTHEAST: .8100 - .8550

**DRY BUTTERMILK - WEST**

Prices for dry buttermilk are holding mostly steady with most manufacturers keeping offering prices the same. The market tone is fully steady. Seasonal interest is still fairly good and buyers are looking at future needs. The production schedules remain moderate to heavy, reflecting active butter churning in the region. Stock levels range from light to moderate levels.

F.O.B. WEST: .7400 - .7900 MOSTLY: .7500 - .7600

**DRY WHOLE MILK - NATIONAL**

Prices and the market tone are unchanged and prices remain nominal. Production levels are about steady in the East, slightly heavier in the West. Output continues to be geared to filling contracts. Demand is mostly contractual. Reports of imported powder continue, but offerings seem to be lighter and prices are competitive.

F.O.B. PRODUCING PLANT: 1.1025 - 1.1800

**DEIP BID ACCEPTANCE SUMMARY**

JULY 1, 2001 THROUGH NOVEMBER 8, 2002  
WITH CHANGES FROM PREVIOUS REPORT

NONFAT DRY MILK	—	17,050 MT (37,588,430 LBS)
CHEESE	—	757 MT (1,668,882 LBS)

Allocations for the DEIP year beginning July 1, as announced September 13: Nonfat dry milk -- 68,201 MT; Cheese -- 3,030 MT; Butterfat -- 21,097 MT. However, for "stage one" of this year's program, only 17,050 MT of NDM, 5,274 MT of butterfat, and 757 MT of cheese are available.

**WHEY, CASEIN & EVAPORATED MILK**

Prices represent carlot/trucklot quantities for domestic and export sales packaged in 25 kg. or 50 lb. bags, or totes, spray process, dollars per pound.

**DRY WHEY - CENTRAL**

Prices are unchanged to lower on a steady to weak market. Unconfirmed offerings are reported below the range on multiple load shipments. More buyer price resistance is noted, especially as more firms begin to offer at prices near the average or lower. Cheese production remains steady at some locations, encouraging steady condensed whey production. Condensed whey is well managed into dryers and end-user facilities. Dry whey demand is light into domestic edible and feed facilities. Movement into Mexico is slowing. Resellers are offering product at the lower end of the range. Addition of an extra load to a contract is not a problem for most buyers. Brokers are generally not aggressive in purchasing whey. The undertone is mixed in regards to price determination during the remainder of the year.

F.O.B. CENTRAL: .2200 - .2525 MOSTLY: .2325 - .2425

**DRY WHEY - NORTHEAST AND SOUTHEAST**

Prices are mostly steady to fractionally higher and Eastern prices remain nominal. A few spot sales are being reported as demand has slowed and some producers have product on hand to offer. However, some Eastern whey producers report being sold out for the remainder of the year. Cheese and whey production are steady to lighter. The reason for the slower cheese output may be tight milk supplies, a switch to traditional cheese for the holidays resulting in acid whey, and some cheese makers' reluctance to make cheese at its current, low price. Traders and producers commented on the lack of market activity this week. Apparently, buyers have enough on hand or are waiting to see if prices will move lower.

F.O.B. NORTHEAST:	EXTRA GRADE	.2425 - .2500
	USPH GRADE A	.2500 - .2575
DELVD SOUTHEAST:		.2675 - .2925

**DRY WHEY - WEST**

Whey prices continue to strengthen in the Western region. Contacts are noting that the spread between Western and Central prices has now closed to a more normal long term differential. Central prices are showing some weakness while the West is still in good balance with prices continuing to increase. Export shipments are certainly still being impacted by the dock strike, but things are getting to be a little closer to normal with each passing week. Some news reports indicate that negotiations for a new contract at the end of the cooling off period are progressing. Western inventories remain in close balance with needs and sellers continue to ask and receive higher prices. Production of dry whey is declining seasonally.

NONHYGROSCOPIC: .1800 - .2550 MOSTLY: .2050 - .2200

**ANIMAL FEED WHEY - CENTRAL**

Prices are higher on delactose but unchanged to lower on milk replacer and roller ground. Interest in delactose is increasing as a substitute to higher priced whey proteins. Delactose from the EU is readily available at competitive prices. Milk replacer prices are lower, reflecting weakness noted in the Extra Grade market. Roller ground production is slightly higher as more condensed whey clears into dryers. Demand for bagged product is good whereas interest in totes is no better than fair. Early weaned pig prices are trending higher while trading on North Central veal is light.

NOTE: The delactose report will be discontinued in 2003 unless the industry requests continuation of the price series. This initiation is due to lackluster spot trading during the 2002 year and in an effort to affirm an interest in the current delactose report. Please send your comments to Dairy Market News by December 13, 2002.

F.O.B. CENTRAL:	
MILK REPLACER:	.1800 - .2125
ROLLER GROUND:	.2325 - .2600
DELACTOSE (Min. 20% protein):	.3200 - .3400

**WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST**

Prices are higher on a firm market. Supplies remain short of buyer interest. Production is steady to higher as some plants convert 80% facilities back into 34% facilities. Increased production is alleviating some supply shortages into feed facilities. Some manufacturers are reportedly no longer doing business with the feed industry in 2003. This could possibly encourage greater demand for protein, especially in light of the drought in Oceania and expected lower high protein imports in 2003. Calf milk replacer facilities are very concerned about higher input prices as farm milk prices continue to decline. Export demand is good into Mexico and fair at best into Asia due to shipping delays from the recent dock strike. WPC from Canada is being offered into the US at a premium to the market. Condensed WPC is difficult to find at most locations. Off grade 80% and 34% WPC is readily available at prices that vary with the quality.

F.O.B. EXTRA GRADE 34% PROTEIN: .4850 - .5250 MOSTLY: .4950 - .5100

**LACTOSE - CENTRAL AND WEST**

Prices are unchanged on a mostly steady market. Many plants are tight on supplies yet unable to clear product sold into export markets due to continued delays at West coast ports. The availability of containers is improving, encouraging greater movement than in prior weeks. Demand is strongest on 200 mesh into Asia. Movement of 30-100 mesh into domestic markets is fair at best. Negotiations for 2003 are commencing with offerings currently at 0.5 - 1 cent higher. Buyers are hesitant to commit as market conditions in 2003 are not clearly known. Permeate supplies are readily available as a substitute to lactose into some feed facilities. Off grade product is available for the light interest.

Including spot sales and up to 3 month contracts. Mesh size 30 - 100.

F.O.B. EDIBLE: .1500 - .2275 MOSTLY: .1550 - .1750

**CASEIN - NATIONAL**

The market is steady and prices are unchanged. The outlook for next year remains cloudy with opinions on price and availability differing between sources. CCC announced Invitation 005 to Announcement RSCS1 on November 8, inviting offers to purchase additional quantities of NDM for conversion into casein or caseinate. CCC also announced that they reopened Notice D&DOD-105, the request for companies to field-test the use of CCC-owned NDM for the manufacture of casein or caseinate. Offers for Invitation 005 are due November 22 with public release scheduled for November 26.

SPOT SALES AND UP TO 3 MONTH CONTRACTS. PRICES ARE F.O.B., U.S. WAREHOUSE FOR EDIBLE NONRESTRICTED AND VARY ACCORDING TO MESH SIZE AND QUALITY.

RENNET:	1.8500 - 2.1000
ACID:	1.6500 - 1.9500

**EVAPORATED MILK - NATIONAL**

Prices and the market tone are little changed. Market activity is typical for this time of year. Most Thanksgiving needs have been delivered and are in stores. Production levels are steady to lighter as milk supplies tighten in some areas of the country. Producer stocks are light as holiday orders outpace production. This is a normal pattern. The Kansas City Commodity office announced the issuance of EVD-1, invitation 740 inviting competitive offers to sell to CCC 4,443,120 pounds of evaporated milk for delivery January - March 2003. Offers are due by 9:00 a.m. CST, November 18, 2002.

DOLLARS PER 48 - 12 FLUID OUNCE CANS PER CASE DELIVERED MAJOR U.S. CITIES \$18.00 - 30.00

Excluding promotional and other sales allowances. Included new price announcements.

## SEPTEMBER FLUID MILK SALES

During September, about 4.6 billion pounds of packaged fluid milk products is estimated to have been sold in the United States. This was 1.3 percent higher than September 2001. After adjusting for calendar composition, sales in September 2002 were 0.7 percent higher than September 2001. On an individual product basis, after adjusting for calendar composition, sales of whole milk, reduced fat (2%) milk, and low fat (1%) milk would have likely increased from September 2001, while sales of fat-free (skim) milk and buttermilk would have likely decreased from a year earlier.

**Editor's Note:** Some of the data also can be found at [www.ams.usda.gov/dvfm/mib/in-areasales.htm](http://www.ams.usda.gov/dvfm/mib/in-areasales.htm)

ESTIMATED TOTAL U.S. SALES OF FLUID MILK PRODUCTS,  
SEPTEMBER 2002, WITH COMPARISONS <sup>1/</sup>

Product Name	Sales		Change from: <sup>2/</sup>		
	September	Year to Date	Previous Year	Year	Year to Date
	Mil. Lbs.		Percent		
Whole Milk <sup>3/</sup>	1,573	14,496	0.6		-0.1
Reduced Fat Milk (2%)	1,438	13,060	1.3		0.2
Low Fat Milk (1%) <sup>4/</sup>	820	6,750	5.0		2.3
Fat-Free Milk (Skim)	677	6,196	-0.8		-0.4
Buttermilk	46	433	-2.7		-3.5
Total Fluid Milk Products <sup>5/</sup>	4,558	40,985	1.3		0.3
Total Fluid Milk Products Adjusted <sup>5/ 6/</sup>	4,634	40,987	0.7		0.3

<sup>1/</sup> These figures are based on the consumption of fluid milk products in Federal milk order marketing areas and California, which represents approximately 93 percent of total fluid milk sales in the United States. An estimate of total U.S. fluid milk sales is derived by interpolating the remaining 7 percent of sales from the Federal milk order and California data. The procedure used for estimating U.S. fluid milk sales by the Agricultural Marketing Service is different from that used by the Economic Research Service (ERS) of USDA. Consequently, the year-to-date figures here may differ from the annual figures published by ERS. <sup>2/</sup> Previously, this data series showed all percent changes adjusted for calendar composition. Percent changes, as well as sales volumes, unless otherwise noted, are not shown on a calendar composition basis. See <sup>6/</sup>. <sup>3/</sup> Includes flavored whole milk. <sup>4/</sup> Includes flavored fat-reduced milk. <sup>5/</sup> Total fluid milk products include the products listed plus miscellaneous products and eggnog. <sup>6/</sup> Sales volumes and percent changes have been adjusted for calendar composition.

PACKAGED SALES OF TOTAL FLUID MILK PRODUCTS IN FEDERAL MILK ORDERS  
AND CALIFORNIA, SEPTEMBER 2002, WITH COMPARISONS <sup>1/</sup>

Area (Order Number) <sup>2/</sup>	Sales		Change from: <sup>3/</sup>		
	September	Year to Date	Previous Year	Year	Year to Date
	Mil. Lbs.		Percent		
Northeast (001)	796	7,215	0.0		-0.2
Appalachian (005)	282	2,561	1.5		-0.8
Southeast (007)	404	3,637	0.4		-1.0
Florida (006)	226	2,135	2.4		1.7
Mideast (033)	528	4,739	1.3		0.4
Upper Midwest (030)	363	3,245	0.3		0.4
Central (032)	386	3,436	1.4		0.0
Southwest (126)	348	3,111	1.6		0.9
Arizona-Las Vegas (131)	102	943	2.8		2.9
Western (135)	74	665	4.7		0.9
Pacific Northwest (124)	179	1,607	-0.1		-0.7
California (---)	550	4,822	3.7		1.1

<sup>1/</sup> These figures are representative of the consumption of total fluid milk products. <sup>2/</sup> Individual area data are for total fluid milk products. See <sup>5/</sup> above. <sup>3/</sup> Percent changes, as well as sales volumes, **are no longer** shown on a calendar composition basis.

**SOURCE:** Monthly reports filed by milk processors subject to the provisions of the applicable Federal milk order, AMS, USDA, and *California Dairy Information Bulletin*, California Agricultural Statistics Service and Milk Stabilization Branch.

### MAILBOX MILK PRICES FOR SELECTED REPORTING AREAS IN FEDERAL MILK ORDERS AND CALIFORNIA, AUGUST 2002

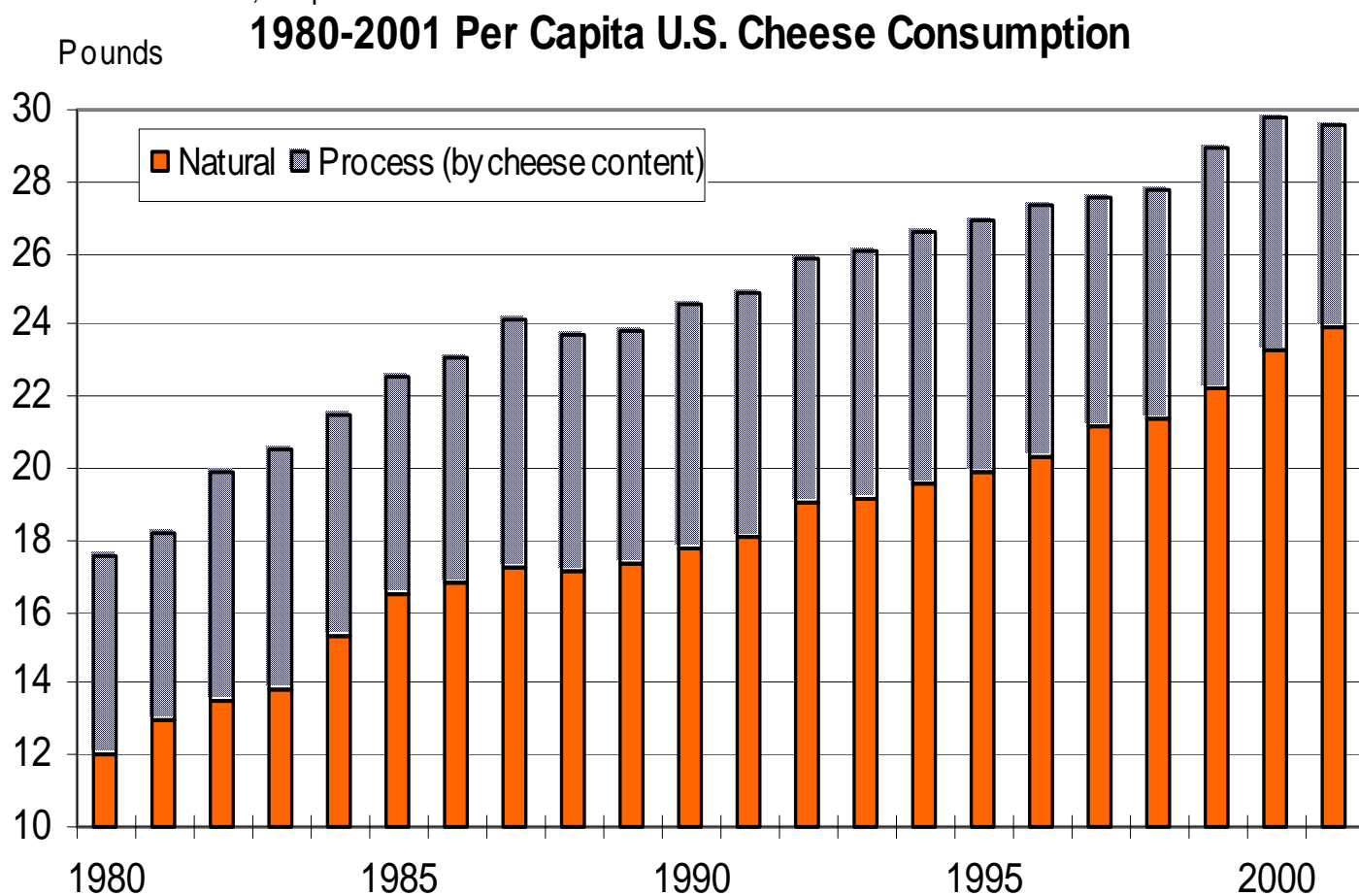
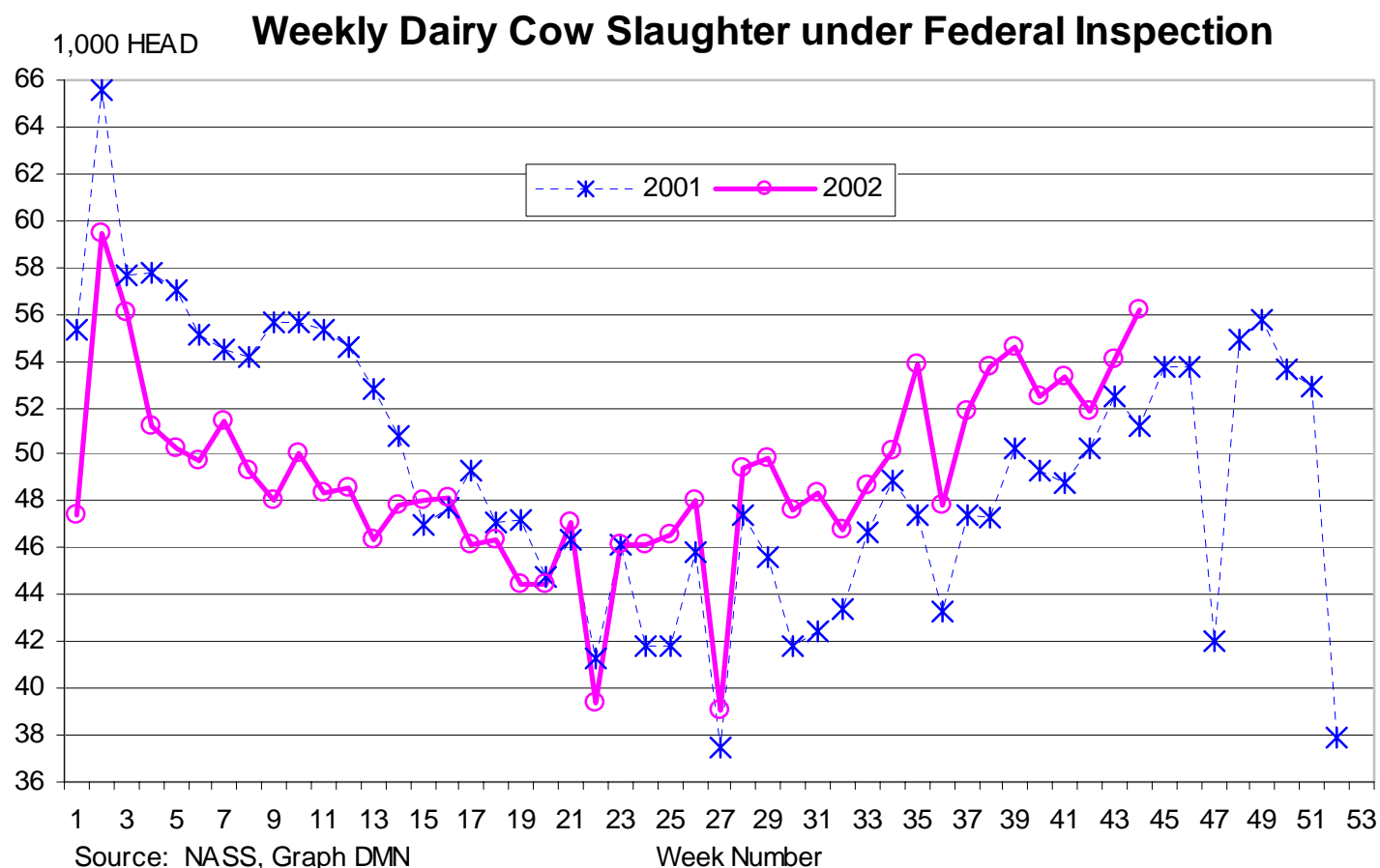
In August 2002, mailbox milk prices for selected reporting areas in Federal milk orders averaged \$11.18 per cwt., \$0.23 more than the figure for the previous month. On an individual reporting area basis, mailbox prices increased in all reporting areas except one, and ranged from \$15.58 in Florida to \$9.85 in Utah. In August 2001, the Federal milk order all-area average mailbox price was \$16.28, \$5.10 higher.

Reporting Area	Mailbox Milk Price <u>2/</u>		
	June 2002	July 2002	August 2002
	Dollars per hundredweight		
Northeast Federal Milk Order	11.49	11.14	11.25
Appalachian States <u>3/</u>	12.08	12.18	12.29
Southeast States <u>4/</u>	12.83	12.98	13.17
Florida	14.68	15.28	15.58
Ohio	11.19	10.63	11.06
Michigan	11.06	10.48	10.87
Wisconsin	11.42	10.61	10.98
Minnesota	11.08	10.49	10.90
Illinois	11.31	10.83	10.83
Northern Missouri <u>5/</u>	12.21	11.42	11.64
Southern Missouri <u>6/</u>	11.66	11.61	11.73
Corn Belt States <u>7/</u>	10.96	10.45	10.82
Western Texas <u>8/</u>	11.14	11.11	11.38
New Mexico	10.21	10.21	10.44
Idaho	10.30	9.87	10.24
Utah	10.13	9.48	9.85
Northwest States <u>9/</u>	11.12	10.78	10.87
All Federal Order Areas <u>10/</u>	11.33	10.95	11.18
California <u>11/</u>	10.44	10.11	NA

NA= Not available.

1/ Information is shown for those areas for which prices are reported for at least 75% of the milk marketed under Federal milk orders. The price shown is the weighted average of the prices reported for all orders that received milk from the area. 2/ Net pay price received by dairy farmers for milk. Includes all payments received for milk sold and all costs associated with marketing the milk. Price is a weighted average for the reporting area and is reported at the average butterfat test. 3/ Includes Kentucky, North Carolina, South Carolina, Tennessee, and Virginia. 4/ Includes Alabama, Arkansas, Georgia, Louisiana, and Mississippi. 5/ All counties to the north of Vernon, Cedar, Polk, Dallas, Laclede, Texas, Dent, Crawford, Washington, St. Francois, and Perry. 6/ The counties listed in 5/ and all those to the south of these. 7/ Includes Iowa, Kansas, and Nebraska. 8/ All counties to the west of Fanin, Hunt, Van Zandt, Henderson, Anderson, Houston, Cherokee, Nacogdoches, and Shelby. 9/ Includes Oregon and Washington. 10/ Weighted average of the information for all selected reporting areas in Federal milk orders. 11/ Calculated by California Department of Food and Agriculture, and published in "California Dairy Information Bulletin."





CCC PURCHASES OF DAIRY PRODUCTS (POUNDS)

	FOR THE WEEK OF NOVEMBER 11 - 15, 2002			CUMULATIVE TOTALS		UNCOMMITTED INVENTORIES	
	TOTAL PURCHASES	CONTRACT ADJUSTMENTS	ADJUSTED PURCHASES	SINCE 10/01/02	SAME PERIOD LAST YEAR	WEEK ENDING 11/08/02	SAME PERIOD LAST YEAR
<b>BUTTER</b>							
Bulk	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Packaged	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Unsalted	-0-	-0-	-0-	-0-	-0-	-0-	-0-
<b>TOTAL</b>	-0-	-0-	-0-	-0-	-0-	-0-	-0-
<b>CHEESE</b>							
Block	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Barrel	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Process	237,600	-0-	237,600	831,600	-0-	-0-	-0-
<b>TOTAL</b>	237,600	-0-	237,600	831,600	-0-	-0-	-0-
<b>NONFAT DRY MILK</b>							
Nonfortified	20,358,202	-0-	20,358,202	49,141,136	17,677,652	1,062,068,000	611,739,000
Fortified	-0-	-0-	-0-	-0-	-0-	46,391,000	38,227,000
<b>TOTAL</b>	20,358,202	-0-	20,358,202	49,141,136	17,677,652	1,108,459,000	649,966,000

MILK EQUIVALENT, FAT SOLIDS BASIS, OF ADJUSTED PURCHASES (MILLION POUNDS)

	MILKFAT* BASIS	SKIM** SOLIDS		MILKFAT* BASIS	SKIM** SOLIDS
WEEK OF NOVEMBER 11 - 15, 2002 =	6.7	239.3	COMPARABLE PERIOD IN 2001 =	1.1	57.6
CUMULATIVE SINCE OCTOBER 1, 2002 =	18.5	580.2	CUMULATIVE SAME PERIOD LAST YEAR =	3.9	205.8
CUMULATIVE JANUARY 1 - NOVEMBER 15, 2002 =	213.1	7,359.9	COMPARABLE CALENDAR YEAR 2001 =	77.3	3,476.0

\* Factors used for Fat Solids Basis - Butter times 21.80; Cheese times 9.23; and Nonfat Dry Milk times 0.22

\*\*Factors used for Skim Solids Basis - Butter times 0.12; Cheese times 9.90; and Nonfat Dry Milk times 11.64

CCC ADJUSTED PURCHASES FOR THE WEEK OF NOVEMBER 11 - 15, 2002 (POUNDS)

	BUTTER			CHEESE			NONFAT DRY MILK	
REGION	BULK	PACKAGED	UNSALTED	BLOCK	BARREL	PROCESS	NONFORTIFIED	FORTIFIED
MIDWEST	-0-	-0-	-0-	-0-	-0-	237,600	262,328	-0-
WEST	-0-	-0-	-0-	-0-	-0-	-0-	20,095,874	-0-
EAST	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-

CCC ADJUSTED PURCHASES SINCE 10/1/01 AND SAME PERIOD LAST YEAR (POUNDS) AND MILK EQUIVALENT AS A PERCENT OF TOTAL

	BUTTER		CHEESE		NONFAT DRY MILK		MILK EQUIVALENT (%)	
REGION	2002/03	2001/02	2002/03	2001/02	2002/03	2001/02	2002/03	2001/02
MIDWEST	-0-	-0-	831,600	-0-	262,328	-0-	41.8	-0-
WEST	-0-	-0-	-0-	-0-	48,878,808	17,677,652	58.2	100.0
EAST	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
<b>TOTAL</b>	-0-	-0-	831,600	-0-	49,141,136	17,677,652	100.0	100.0

SELLBACK TO THE TRADE	CENTRAL/EAST	WEST	TOTAL	CUMULATIVE SINCE 10/1/02
NOVEMBER 4 - 8, 2002	478,319	-0-	478,319	16,764,336

SUPPORT PURCHASE PRICES FOR DAIRY PRODUCTS PRODUCED ON OR AFTER MAY 31, 2001

MANUFACTURING MILK Average Test 3.67% - \$9.90 per cwt.

**BUTTER** Bulk \$.8548 per pound; 1# Prints \$.8848  
**CHEESE** 40 & 60# Blocks \$1.1314 per pound; 500# Barrels \$1.1014; Process American 5# \$1.1839; Process Am. 2# \$1.2239  
**NONFAT DRY MILK** Nonfortified \$.9000 per pound; Fortified \$.9100; Instant \$1.0575

U.S. Dairy & Total Cow Slaughter under Federal Inspection, by Regions, for Week Ending 10/26/02 & Comparable Week 2001

Regions* (000 HEAD)	1	2	3	4	5	6	7	8	9	10	U.S. TOTAL WEEK SINCE JAN 1	% DAIRY OF ALL WEEK SINCE JAN 1
2002-Dairy	0.2	0.9	7.2	5.3	20.1	2.5	0.6	0.9	14.0	2.4	54.1	43.9
2001-Dairy	0.2	0.7	6.3	5.3	21.1	2.2	0.7	0.9	12.7	2.4	52.5	41.8
2002-All cows	0.2	1.1	9.9	14.1	31.4	15.7	19.4	4.3	17.2	10.0	123.3	45.8
2001-All cows	0.2	1.0	8.7	14.9	32.1	18.9	18.5	5.6	17.3	8.7	125.7	

SOURCE The slaughter data are gathered and tabulated in a cooperative effort by the Agricultural Marketing Service, The Food Safety and Inspection Service, and the National Agricultural Statistics Service, all of USDA.

CLASS III (2000-2001) AND BFP (1999) MILK PRICES, (3.5% BF, \$/CWT. FOR COMPARISON PURPOSES ONLY)

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
1999	16.27	10.27	11.62	11.81	11.26	11.42	13.59	15.79	16.26	11.49	9.79	9.63
2000	10.05	9.54	9.54	9.41	9.37	9.46	10.66	10.13	10.76	10.02	8.57	9.37
2001	9.99	10.27	11.42	12.06	13.83	15.02	15.46	15.55	15.90	14.60	11.31	11.80

FEDERAL MILK ORDER CLASS PRICES FOR 2002 (3.5% BF)

CLASS	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
I 1/	11.96	11.95	11.62	11.47	11.26	11.03	10.62	10.48	10.46	10.15	10.60	
II	12.69	12.28	12.19	11.88	11.29	11.19	11.14	11.07	10.91	11.12		
III	11.87	11.63	10.65	10.85	10.82	10.09	9.33	9.54	9.92	10.72		
IV	11.93	11.54	11.42	11.09	10.57	10.52	10.45	10.41	10.22	10.50		

1/ Specific order differentials to be added to this base price are located at [www.ams.usda.gov/dyfm0s/mib/cls\\_prod\\_cmp\\_pr.htm](http://www.ams.usda.gov/dyfm0s/mib/cls_prod_cmp_pr.htm)